

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

TABLE OF CONTENTS

NJCFS ACCOUNT NUMBER	PROGRAM
FY FUND AGY ORG APU	
	DIRECT STATE SERVICES
	INTERDEPARTMENTAL ACCOUNTS
XX 000 000 0000 002	FRINGE BENEFITS OTHER THAN FICA - STATE COLLEGES AND UNIVERSITIES REIMBURSEMENT PROGRAM
XX 000 000 0000 003	FICA - STATE COLLEGES AND UNIVERSITIES REIMBURSEMENT PROGRAM
	GRANTS IN AID
XX 100 074 24XX 001	STATE APPROPRIATION TO STATE COLLEGES AND UNIVERSITIES
XX 100 082 2155 001	AID TO INDEPENDENT COLLEGES AND UNIVERSITIES
	GRANTS IN AID SCHOLARLY CHAIRS
XX 100 082 2155 003	EINSTEIN CHAIR FOR SCHOLARLY STUDIES AT THE INSTITUTE FOR ADVANCED STUDY
XX 100 082 2155 004	RICHARD J. HUGHES CHAIR FOR CONSTITUTIONAL AND PUBLIC LAW AND SERVICE AT SETON HALL UNIVERSITY
XX 100 082 2155 005	ALFRED E. DRISCOLL CHAIR IN PHARMACEUTICAL / CHEMICAL STUDIES, FAIRLEIGH DICKINSON UNIVERSITY
XX 100 082 2155 006	LAURIE CHAIR IN WOMEN'S STUDIES AT DOUGLASS COLLEGE
XX 100 082 2155 007	WILL AND ARIEL DURANT CHAIR IN THE HUMANITIES AT ST. PETERS COLLEGE
XX 100 082 2155 008	SMALL BUSINESS AND ENTREPRENEURSHIP CHAIR AT RUTGERS UNIVERSITY
XX 100 082 2155 009	RAOUL WALLENBERG VISITING PROFESSORSHIP IN HUMAN RIGHTS - RUTGERS UNIVERSITY
XX 100 082 2155 010	MILLICENT FENWICK RESEARCH PROFESSORSHIP IN EDUCATION AT MONMOUTH UNIVERSITY

NJCFS ACCOUNT NUMBER**PROGRAM**

FY FUND AGY ORG APU

01 100 082 2155 076	CHAIR IN EDUCATIONAL LEADERSHIP, ROWAN UNIVERSITY
XX 100 082 2155 100	SENATOR WYNONA LIPMAN CHAIR IN POLITICAL LEADERSHIP AT THE EAGLETON INSTITUTE OF POLITICS AT RUTGERS UNIVERSITY
XX 100 082 2155 104	HENRY JOHN RAIMONDO CHAIR IN URBAN PUBLIC POLICY RESEARCH AT NEW JERSEY CITY UNIVERSITY
<hr/>	
	GRANTS IN AID MISCELLANEOUS HIGHER EDUCATION PROGRAMS ANNUAL CONTRACT
XX 100 082 2155 011	RESEARCH UNDER CONTRACT WITH THE INSTITUTE OF MEDICAL RESEARCH, CAMDEN
XX 100 082 2155 053	ACCELERATION IN COMPUTER SCIENCE OF MINORITY STUDENTS - MONMOUTH UNIVERSITY
XX 100 082 2155 064	OCEAN COUNTY COMMUNITY COLLEGE- CAMP VIKING
XX 100 082 2155 080	INSTITUTE FOR ADVANCED STUDY - PARK CITY MATHEMATICS INSTITUTE
XX 100 082 2155 082	STATEWIDE SYSTEMIC INITIATIVE TO REFORM MATHEMATICS AND SCIENCE EDUCATION - RUTGERS UNIVERSITY
00 100 082 2155 083	WALTER RAND INSTITUTE FOR PUBLIC AFFAIRS
XX 100 082 2155 084	AT RUTGERS UNIVERSITY - CAMDEN
00 100 082 2155 086	GLOUCESTER COUNTY COLLEGE - CENTER FOR PEOPLE IN TRANSITION
XX 100 082 2155 086	ROAD TO SUCCESS
01 100 082 2155 098	COMMUNITY ATHLETIC COMPLEX - RUTGERS UNIVERSITY
XX 100 082 2155 099	MONMOUTH UNIVERSITY - MULTI-PURPOSE REGIONAL ACTIVITY CENTER
XX 100 082 2155 102	CUMBERLAND COMMUNITY COLLEGE - AQUACULTURE TECHNOLOGY TRANSFER CENTER
01 100 082 2155 103	CENTENARY COLLEGE - EDUCATIONAL TECHNOLOGY CENTER

NJCFS ACCOUNT NUMBER	PROGRAM
FY FUND AGY ORG APU	
XX 100 082 2155 052	DISCRETE MATHEMATICS AND COMPUTER SCIENCE CENTER - INSTITUTE FOR ADVANCED STUDY
XX 100 082 2155 057	CLINICAL LEGAL PROGRAMS FOR THE POOR - SETON HALL UNIVERSITY (PL 1996, C.52)
XX 100 082 2155 073	INSTITUTE OF LAW AND MENTAL HEALTH OF SETON HALL UNIVERSITY
<hr/>	
	GRANTS IN AID MISCELLANEOUS HIGHER EDUCATION PROGRAMS NON-CONTRACT
XX 100 082 2155 013	MARINE SCIENCES CONSORTIUM
<hr/>	
	GRANTS IN AID MISCELLANEOUS HIGHER EDUCATION PROGRAMS INCENTIVE FUNDS
XX 100 082 2155 094	HIGHER EDUCATION INCENTIVE ENDOWMENT FUND
XX 100 082 2155 095	HIGHER EDUCATION INCENTIVE GRANT FUND
<hr/>	
	STATE AID TO THE COMMUNITY COLLEGES
XX 100 082 2155 015	OPERATIONAL COSTS COUNTY COLLEGES
XX 100 082 2155 016	P.L. 1971, C.12 DEBT SERVICE
XX 100 082 2155 017	EMPLOYER CONTRIBUTIONS ALTERNATE BENEFIT PROGRAM
XX 100 082 2155 018	EMPLOYER CONTRIBUTIONS -TEACHERS' PENSION AND ANNUITY FUND
XX 100 082 2155 020	EMPLOYER CONTRIBUTIONS - FICA FOR COUNTY COLLEGE MEMBERS OF TPAF
<hr/>	
	APPENDIX
	SCHEDULE OF EXPENDITURES OF STATE AWARDS
	NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS AND INSTRUCTIONS FOR COMPLETION
<hr/>	

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

XX 000 000 0000 002 FRINGE BENEFITS OTHER THAN FICA - STATE COLLEGES
AND UNIVERSITIES REIMBURSEMENT PROGRAM

I. PROGRAM OBJECTIVES

This program continues the state's responsibility for payment of the employer's share of fringe benefits, other than FICA (which is handled separately), for public employees at New Jersey's senior public institutions whose positions are authorized as state-funded by the annual Appropriations Act. Institutions reimburse the state for the fringe benefit costs of employees funded from non-state sources.

II. PROGRAM PROCEDURES

All employees' benefits are initially funded by state funds. The colleges reimburse the state on a quarterly basis for fringe benefit payments made on behalf of employees whose salaries are funded from nonstate sources. The colleges are required to send these checks no later than the 15th of the month following the end of each quarter. A significant portion of non-state salaries and wages earned do not have non-FICA fringe benefits associated with them. In addition, some employees' salaries may be partially funded through state sources and partially funded through non-state sources. Therefore, accompanying each check should be a reconciliation of the college's gross payroll to the non-state payroll amount used as the basis for calculating the other than FICA fringe benefit reimbursement. Included in the reconciliation should be the categories and amounts excluded, such as adjunct, overload, part-time, hourly, summer session, off-campus, etc.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

Reimbursement is required for payments made on behalf of employees whose salaries are funded from non-state sources. Reimbursement is made on a quarterly basis, and payments are due no later than the 15th of the month following the end of each quarter.

2. Suggested Audit Procedures

- a. Review payroll system for position coding for state or non-state status.
- b. Review system for allocating costs for positions with multiple funding sources.
- c. Review system for determining state-funded fringe benefits versus non-state fringe benefits.
- d. Review documentation supporting quarterly remittances for nonstate positions, if applicable, including categories and amounts of excluded earnings.

- e. Report all noted instances of non-compliance, illegal acts, and instances in which the cumulative effect of individual immaterial instances of non-compliance could materially affect the financial statements.

B. ELIGIBILITY

State funding of fringe benefits is limited to state-funded positions as detailed in the Governor's recommended budget for the fiscal year and incorporated into the annual Appropriations Act. The state must be reimbursed for all other fringe benefit costs that it initially funded.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

Not applicable.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Quarterly remittance reports must include a reconciliation of the college's gross non-state payroll to the non-state payroll amount used as the basis for calculating the other than FICA fringe benefit reimbursement.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review reports and supporting documentation and test calculations.
- b. Review and verify schedule of Expenditures of State Awards. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

XX 000 000 0000 003 FICA - STATE COLLEGES AND UNIVERSITIES
REIMBURSEMENT PROGRAM

I. PROGRAM OBJECTIVES

The objective of this program is to reimburse the state's senior public colleges and universities for payment of the employer's share of FICA (Social Security) for public employees at these institutions whose positions are authorized as state-funded by the annual Appropriations Act, Federal regulations prohibit the state from making payment directly to the federal government on the institutions' behalf since they are considered separate entities from the state under these regulations.

II. PROGRAM PROCEDURES

All employees' payments are initially funded by the colleges according to federal requirements. The colleges are reimbursed by the state for payments made on behalf of employees whose salaries are funded from state sources. Institutions submit reimbursement requests on a weekly or biweekly basis. Payments made by the institution for non-state positions must be deducted from weekly or biweekly reimbursement requests or remitted to the state on a quarterly basis. Because some employees' salaries may be partially funded through state sources and partially funded through non-state sources, the colleges must provide on a quarterly basis a reconciliation of the college's gross payroll to the state-funded payroll amount used as the basis for calculating the FICA reimbursement request.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

Reimbursement provided only for payments made on behalf of employees whose salaries are funded from state sources. Payments made for non-state positions must be deducted from weekly or biweekly reimbursement requests or remitted to the state on a quarterly basis.

2. Suggested Audit Procedures

- a. Review payroll system for position coding for state or nonstate status.
- b. Review system for allocating costs for positions with multiple funding sources.
- c. Review system for determining state-funded FICA versus nonstate FICA.
- d. Review documentation supporting reimbursement requests for state-funded positions and quarterly remissions for nonstate funds, if applicable.

- e. Report all noted instances of non-compliance, illegal acts, and instances in which the cumulative effect of individual immaterial instances of non-compliance could materially affect the financial statements.

B. ELIGIBILITY

State reimbursement of FICA payments is limited to state-funded positions as detailed in the Governor's recommended budget for the fiscal year and incorporated into the annual Appropriations Act.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

Not applicable.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Colleges must provide a quarterly reconciliation of the college's gross payroll to the state-funded payroll amount used as the basis for calculating the FICA reimbursement.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review quarterly reports and supporting documentation and test calculations.
- b. Review and verify schedule of Expenditures of State Awards. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

XX 100 074 24XX 001

STATE APPROPRIATION TO
STATE COLLEGES AND UNIVERSITIES

I. PROGRAM OBJECTIVES

This program provides funds to support general operations expenditures at the state higher education institutions. New Jersey's system of higher education includes twelve senior public colleges and universities. Three are research universities: Rutgers, the State University of New Jersey; the University of Medicine and Dentistry of New Jersey; and the New Jersey Institute of Technology; and nine are state colleges or teaching universities: Thomas A. Edison State College; Rowan University; New Jersey City University; Kean University; William Paterson University; Montclair State University; The College of New Jersey; Ramapo College of New Jersey; and The Richard Stockton College of New Jersey. Each of the senior public institutions has its own Board of Trustees and develops and conducts its own educational programs. Each of these institutions, except Edison, offers the traditional four-year undergraduate curriculum leading to the bachelor's degree. All offer graduate programs, and Rutgers, UMDNJ and NJIT offer programs leading to a doctoral degree or equivalent.

II. PROGRAM PROCEDURES

Under the annual appropriations act, each senior public college and university is provided an authorized expenditure level for the fiscal year, July 1 to June 30, to be funded by the established state appropriation and revenue amounts based on budgeted full-time equivalent (FTE) enrollments. Special provisions in the Appropriations Act require that institutions, except the University of Medicine and Dentistry of New Jersey and Thomas A. Edison State College, seek the approval of the Director of the Division of Budget and Accounting to retain excess tuition receipts generated by actual enrollments that exceed 104% of budgeted levels. If approval is not given, the appropriation to the institution is reduced by an amount equal to the excess tuition revenue.

Rutgers University receives its funds in weekly payments; Thomas A. Edison State College receives quarterly payments; all other institutions receive their funds monthly.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

Expenditure of state funds must be in accordance with the authorized budget contained in the annual Appropriations Act.

2. Suggested Audit Procedures

Review annual Appropriations Act detailed in the annual Appropriations Handbook.

B. ELIGIBILITY

1. Compliance Requirement

- a. Limited to Rutgers University, the University of Medicine and Dentistry of New Jersey, the New Jersey Institute of Technology, Thomas A. Edison State College, Rowan University, New Jersey City University, Kean University, William Paterson University, Montclair State University, The College of New Jersey, Ramapo College of New Jersey, and The Richard Stockton College of New Jersey.

- b. Budgeted enrollments for each institution, except the University of Medicine and Dentistry of New Jersey and Thomas A. Edison State College, are established by the Appropriations Act. If actual enrollments exceed 104% of budgeted levels, then the amount appropriated to the institution may be reduced by a sum equal to the tuition receipts collected for those FTE's above the maximum, any such adjustment to occur in the last quarter of the fiscal year. An exception to this provision may be made upon approval of the Director of the Division of Budget and Accounting.

2. Suggested Audit Procedures

- a. Review institutions FTE enrollment count for accuracy.
- b. If actual enrollments exceed authorized maximum, determine if the appropriation was reduced or if an exception was made. Review supporting documentation and test calculations.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. The institution must submit quarterly spending plans to the Office of Management and Budget (OMB) on November 1, February 1, and May 1 of each fiscal year.
 - b. If actual enrollments exceed authorized maximum, a request for exception must be filed.
- c. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Determine if quarterly spending plans were submitted. Review quarterly expenditures for consistency with plans.
- b. Determine if a request for an exception was filed. Review supporting documentation.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

XX 100 082 2155 001 AID TO INDEPENDENT COLLEGES AND UNIVERSITIES

I. PROGRAM OBJECTIVES

The state is committed by law and public policy to the development and preservation of a planned and diverse system of higher education which encompasses both public and private institutions, State aid to independent colleges and universities is provided under P.L.1979, c.13 (N.J.S.A.18A:72B-15 et seq.), the Independent College and University Assistance Act (ICUAA). This act helps to provide maximum educational choice among colleges and universities through the preservation of the vitality and quality of independent institutions of higher education in New Jersey.

II. PROGRAM PROCEDURES

The State Treasurer, subject to the availability of appropriations, is authorized to contract with eligible independent colleges and universities in this state to provide educational services to New Jersey students. Payment to the institutions is based upon the number of full-time equivalent (FTE) New Jersey undergraduates enrolled during the pre-budget year in the independent institutions, and is linked to 25% of the level of direct per-student support for the state college sector during the pre-budget year. Funds are apportioned among the independent institutions according to a statutory formula that includes a base allocation (10% of the total), an allocation based on the number of New Jersey undergraduates who received state financial aid or aid administered by the independent institutions of \$1,000 or more, exclusive of loans, during the pre-budget year (35% of the total), and an allocation based on the number of New Jersey FTE undergraduates enrolled during the pre-budget year (55% of the total).

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. See N.J.S.A. 18A:72B-15 et seq.
- b. See N.J.A.C. 9:14-1 et seq.

2. Suggested Audit Procedures

- a. Review N.J.S.A. 18A:72B-17 definitions.
- b. Review N.J.A.C. 9:14-1 definitions.
- c. Perform appropriate sampling in accordance with generally accepted auditing standards.
- d. Audit full-time equivalent enrollment for accuracy of count, residency, and approved campus location.
- e. Audit students receiving need-based financial aid (either state financial aid or institutional aid of \$1,000 or more, exclusive of loans) for accuracy of head count, residency, and approved campus location.

B. ELIGIBILITY

1. Compliance Requirement

- a. Refer to N.J.S.A. 18A:72B-17.
- b. Refer to N.J.A.C. 9:14-1.
- c. New Jersey resident undergraduate students who have received instruction offered on the main New Jersey campus or at other approved locations.

2. Suggested Audit Procedures

- a. Verify eligibility by sampling registration records.
- b. Verify branch campus approval by the Board of Higher Education, Chancellor of Higher Education, or Commission on Higher Education.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURSS

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to N.J.A.C. 9:14-1.2, 1.3, 1.4.
- b. Funds must be maintained in a separate ledger account. Each institution shall cause an audit of such account and of enrollment figures by a certified public accountant.
- c. Refer to N.J.S.A. 18A:72B-18. Funds granted under this act may be used by the institutions for any purpose appropriate to maintaining or enhancing the quality of the academic offerings available to New Jersey students, except for the purposes of sectarian instruction, the construction or maintenance of sectarian facilities, or for any other sectarian purpose or activity.
- d. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Verify that a certified audit of enrollments and an annual financial statement has been performed and submitted to the Department of the Treasury, Director of Fiscal Resources, by November 1 of each year.
- b. Sample financial reports and review for completeness and timeliness of submission. Trace data to supporting documentation.
- c. Verify use of funds by performing appropriate sampling in accordance with generally accepted auditing standards.
- d. Review and verify schedule of Expenditures of State Awards. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

SCHOLARLY CHAIRS

XX 100 082 2155 003 EINSTEIN CHAIR FOR SCHOLARLY
STUDIES AT THE INSTITUTE FOR
ADVANCED STUDY
Annual Appropriation \$65,000
Authority: N.J.S.A. 18A:72C-1 et seq.

XX 100 082 2155 004 RICHARD J. HUGHES CHAIR FOR
CONSTITUTIONAL AND PUBLIC LAW
AND SERVICE AT SETON HALL UNIVERSITY
Annual Appropriation \$65,000
Authority: N.J.S.A. 18A:72E-1 et seq.

XX 100 082 2155 005 ALFRED E. DRISCOLL CHAIR IN
PHARMACEUTICAL/CHEMICAL STUDIES,
FAIRLEIGH DICKINSON UNIVERSITY
Annual Appropriation \$65,000
Authority: Appropriations Act

XX 100 082 2155 006 LAURIE CHAIR IN WOMEN'S
STUDIES AT DOUGLASS COLLEGE
Annual Appropriation \$75,000
Authority: N.J.S.A. 18A:72K-1 et seq.

XX 100 082 2155 007 WILL AND ARIEL DURANT CHAIR
IN THE HUMANITIES AT ST. PETER'S COLLEGE
Annual Appropriation \$65,000
Authority: N.J.S.A. 18A:72G-1 et seq.

XX 100 082 2155 008 SMALL BUSINESS AND ENTREPRENEURSHIP
CHAIR AT RUTGERS
Annual Appropriation \$65,000
Authority: Appropriations Act

XX 100 082 2155 009 RAOUL WALLENBERG VISITING
PROFESSORSHIP IN HUMAN RIGHTS -
RUTGERS UNIVERSITY
Annual Appropriation \$100,000
Authority: N.J.S.A. 18A:72I-1 et seq.

XX 100 082 2155 010 MILLICENT FENWICK RESEARCH
PROFESSORSHIP IN EDUCATION
AT MONMOUTH UNIVERSITY
Annual Appropriation \$75,000
Authority: N.J.S.A. 18A:72L-1 et seq.

01 100 082 2155 076 CHAIR IN EDUCATIONAL LEADERSHIP,
ROWAN UNIVERSITY
Annual Appropriation \$100,000
Authority: Appropriations Act

XX 100 082 2155 100 SENATOR WYNONA LIPMAN CHAIR
IN POLITICAL LEADERSHIP AT
THE EAGLETON INSTITUTE OF POLITICS
AT RUTGERS UNIVERSITY
Annual Appropriation \$100,000
Authority: N.J.S.A. 18A:72N-1 et seq.

XX 100 082 2155 104 HENRY JOHN RAIMONDO CHAIR IN URBAN
PUBLIC POLICY RESEARCH AT NEW JERSEY
CITY UNIVERSITY
Annual Appropriation \$75,000
Authority: N.J.S.A. 18A:72O-1 et seq.

I. PROGRAM OBJECTIVES

The eleven scholarly chairs (eight established by statute, three by annual appropriations) function at both public and independent colleges in New Jersey. The chairs were established to enable New Jersey's colleges and universities to hire persons who are regarded as national or international experts in the field that the chair has been designated to serve. Chairholders typically teach one or more courses in an area in which the institution lacks expertise; give lectures, seminars or workshops that are open to the college community and to the public; and share their research with students and faculty through discussions and guest lectures.

II. PROGRAM PROCEDURES

For each of the eleven chairs, OMB requires an annual report of activities and expenditures, due by July 31, before moneys are released for the new academic year. After OMB receives the reports and recommendations for chairholder appointments for the coming year it issues approval letters for chairholder appointments and releases funding.

The statutes stipulate that chairholders serve for a particular period of time or for a period of time subject to available appropriations. Institutions generally find limited tenure desirable because it enables them to hire a series of well-known scholars who can share with the academic community the most recent issues and scholarship in their respective fields.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. Funds are applied to the chairholder's salary and fringe benefits and for equipment, supplies, clerical support, and research assistance to the chairholder.

b. See statute (if applicable) for other restrictions.

2. Suggested Audit Procedures

a. Review submitted vouchers and institution's internal expenditure report.

b. Review length of appointment, etc. as per statute (if applicable).

B. ELIGIBILITY

Limited to the Institute of Advanced Study, Seton Hall University, Fairleigh Dickinson University, Rutgers University, St. Peter's College, Monmouth University, Rowan University and New Jersey City University. Note that both the New Jersey Institute Of Technology and Rutgers University are eligible to have an Einstein Chair (see N.J.S.A.18A:72C-(1), but currently only one such chair exists.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

a. Annual report to OMB Of the chairholder's activities and expenditures.

b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

a. Review chairholder's annual activities and expenditures report for accuracy, submission timeliness, and completeness.

b. Review and verify schedule of Expenditures of State Awards. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

XX 100 082 2155 011 RESEARCH UNDER CONTRACT WITH THE INSTITUTE OF
MEDICAL RESEARCH, CAMDEN

I. PROGRAM OBJECTIVES

The Coriell Institute for Medical Research (CIMR) was established in the 1950's to conduct research and field trials on the treatment and prevention of polio. Since then, it has established a national reputation for biomedical research in the areas of infectious disease, cancer, aging, birth defects, and environmental hazards. This appropriation provides support for salaries of research teams at the CIMR to assure continuity of staffing and effort between federally funded research projects, the major source of financial support at CIMR.

II. PROGRAM PROCEDURES

An annual contract, contingent upon appropriations, is developed between the New Jersey Department of the Treasury and CIMR based upon the institute's submission of a proposed expenditure budget.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to annual contract.

B. ELIGIBILITY

Limited to Coriell Institute for Medical Research.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to annual contract.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review annual contract.
- b. Review proposed budget and institute's internal expenditure report.
- c. Review disbursements to CIMR.
- d. Review final report submission, including submitted vouchers and final expenditure report.

- e. Review financial statement of CIMR.
- f. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

MISCELLANEOUS HIGHER EDUCATION PROGRAMS
ANNUAL CONTRACTS

XX 100 082 2155 053 ACCELERATION IN COMPUTER SCIENCE OF MINORITY
STUDENTS - MONMOUTH UNIVERSITY
State Appropriation \$5,000

XX 100 082 2155 064 OCEAN COUNTY COMMUNITY COLLEGE -
CAMP VIKING
State Appropriation FY2000 \$45,000
State Appropriation FY2001 \$50,000

XX 100 082 2155 080 INSTITUTE FOR ADVANCED STUDY -
PARK CITY MATHEMATICS INSTITUTE
State Appropriation FY2000 \$100,000
State Appropriation FY2001 \$150,000

XX 100 082 2155 082 STATEWIDE SYSTEMIC INITIATIVE TO REFORM
MATHEMATICS AND SCIENCE EDUCATION - RUTGERS
UNIVERSITY
State Appropriation \$1,200,000

00 100 082 2155 083 WALTER RAND INSTITUTE FOR PUBLIC AFFAIRS AT
XX 100 082 2155 084 RUTGERS UNIVERSITY - CAMDEN
State Appropriation \$75,000

00 100 082 2155 086 GLOUCESTER COUNTY COLLEGE
CENTER FOR PEOPLE IN TRANSITION
State Appropriation \$262,000
01 100 082 2155 086 ROAD TO SUCCESS
State Appropriation \$250,000
02 100 082 2155 086 ROAD TO SUCCESS
State Appropriation \$225,000

01 100 082 2155 098 COMMUNITY ATHLETIC COMPLEX - RUTGERS
UNIVERSITY
State Appropriation \$2,000,000

XX 100 082 2155 099 MONMOUTH UNIVERSITY - MULTI-PURPOSE REGIONAL
ACTIVITY CENTER
State Appropriation \$3,500,000

XX 100 082 2155 102 CUMBERLAND COMMUNITY COLLEGE - AQUACULTURE
TECHNOLOGY TRANSFER CENTER
State Appropriation \$150,000

01 100 082 2155 103 CENTENARY COLLEGE - EDUCATIONAL TECHNOLOGY
CENTER
State Appropriation \$1,000,000

XX 100 082 2155 052 DISCRETE MATHEMATICS AND COMPUTER SCIENCE
 CENTER - INSTITUTE FOR ADVANCED STUDY
 State Appropriation FY2000 \$100,000
 State Appropriation FY2001 \$150,000

XX 100 082 2155 057 CLINICAL LEGAL PROGRAMS FOR THE POOR -
 SETON HALL UNIVERSITY (PL 1996, C.52)
 State Appropriation \$200,000

XX 100 082 2155 073 INSTITUTE OF LAW AND MENTAL HEALTH OF
 SETON HALL UNIVERSITY
 State Appropriation FY2000 \$95,000
 State Appropriation FY2001 \$190,000

I. PROGRAM OBJECTIVES

An annual contract, contingent upon appropriations, is developed between the New Jersey Department of the Treasury and the respective New Jersey college or university. Please refer to annual contract for the program objective.

III. PROGRAM PROCEDURES

The contract is based upon the institution's submission of a proposed expenditure budget and program activity.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to annual contract.

B. ELIGIBILITY

Limited to the New Jersey college or university listed.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

Refer to annual contract.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

a. Refer to annual contract.

b. Refer to New Jersey Office of Management and Budget
 (OMB) Circular 98-07.

2. Suggested Audit Procedures

a. Review annual contract.

b. Review proposed budget and the institution's internal
 expenditure report.

c. Review disbursements to the institution.

- d. Review final report submission, including submitted vouchers and final expenditure report.
- e. Review financial statement of institution.
- f. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

XX 100 082 2155 013 MARINE SCIENCES CONSORTIUM

I. PROGRAM OBJECTIVES

The New Jersey Marine Sciences Consortium is an alliance of 31 colleges and universities, 24 of which are located in New Jersey. The remainder are located in southern New York and eastern Pennsylvania. The consortium conducts joint research, education, and public service in matters related to the marine and coastal areas of the mid-Atlantic. An annual appropriation to the consortium through the Department of the Treasury partially supports consortium administration, provides matching funds for federal grants through the Sea Grant College Program, and partially funds a variety of other consortium activities such as a mini-grant research program, a visiting professor program, a marine safety program, and a Jersey Shore Master Plan study.

II. PROGRAM PROCEDURES

The consortium annually submits a funding proposal to the Department of the Treasury. Funding, if approved, is included in the annual Appropriations Act.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

See annual proposal to the Department of the Treasury from the Marine Sciences Consortium.

2. Suggested Audit Procedures

- a. Verify use of funds by performing appropriate sampling in accordance with generally accepted auditing standards.
- b. Examine contracts with other state and federal agencies.

B. ELIGIBILITY

Limited to New Jersey Marine Sciences Consortium.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

State funding is partially used as a match to federal Sea Grant funds.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. The consortium submits its annual financial report to the Department of the Treasury. Note that the consortium operates on a federal fiscal year (October 1 through September 30).

- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Verify that audited annual report was submitted.
- b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

XX 100 082 2155 094	HIGHER EDUCATION INCENTIVE ENDOWMENT FUND
XX 100 082 2155 095	HIGHER EDUCATION INCENTIVE GRANT FUND

The Higher Education Incentive Funds provide matching funds against endowment and/or grant contributions to New Jersey's public and private institutions of higher education or their institutionally related foundations that receive Direct State aid. The funds, which are subject to annual appropriations, are made available to the institutions under the Higher Education Incentive Funding Act P.L. 1999, c.226 (N.J.S.A.18A:62-29 et seq.).

Upon approval by the governing board of an institution or its institutionally related foundation, participating institutions make application for matching funds for their 4 year public institution, 2 year public institution or independent institution of higher education in accordance with the rules established to implement the act, N.J.A.C. 17:26-1 et seq.

- a. Refer to N.J.A.C. 17:26-2.2 Endowment contribution and donation eligibility.
- b. Refer to N.J.A.C. 17:26-2.3 Ineligibility for matching funds.

- a. Review the institutions' application to assure approval from the governing board.
- b. Review submitted application for required information.
- c. Review N.J.S.A 18A:62-31 definitions.

- c. Refer to N.J.A.C. 17:26-3.1 Application for State matching funds.

- 2. Suggested Audit Procedures

Review the institutions' application to assure approval from the governing board. Review materials submitted by the institution as application for the required information.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

- 1. Compliance Requirement

- a. Refer to N.J.A.C. 17:26-4.1 Payment from the fund. All applicable endowments in years 2 through 10 will be matched automatically, that is, without application re-evaluation.
- b. Refer to N.J.A.C. 17:26-4.2 Amount of matching funds.

- 2. Suggested Audit Procedures

- a. Review the institutions' application for either grant or endowment match.
- b. Review payment notification letter from the Department of Treasury to the institution that includes the annual endowment/grant matching fund payment by institution report. Each institution has one or more line items.

D. REPORTING REQUIREMENTS

- 1. Compliance Requirement

- a. Refer to N.J.A.C. 17:26-3.1 Application for State matching funds, section (b) pertaining to "anonymous" contributions and donation.
- b. Refer to New Jersey OMB circular letter 98-07, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.

- 2. Suggested Audit Procedures

- a. Review institutions' financial records that support an anonymous endowment or donation.
- b. Review institutions' submission for matching fund to ensure compliance.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

XX 100 082 2155 036 EQUIPMENT LEASING FUND -DEBT SERVICE

I. PROGRAM OBJECTIVES

The Equipment Leasing Fund (ELF) provides an ongoing financing mechanism to support the purchase of scientific, engineering, technical, computer, communications, and instructional equipment at New Jersey's public and private institutions of higher education. The ELF statute provides \$100 million for these purchases through the sale of bonds by the New Jersey Educational Facilities Authority (EFA). Each institution is required to pay to the EFA 25% of the principal and interest on the bonds issued to finance the purchase of its equipment. The Higher Education Restructuring Act of 1994 (P.L. 1994, c.48) transferred the functions, powers, and duties of the Board of Higher Education (BHE) under the ELF Act, including the approval of equipment purchase and the allocation of funds, to the Commission on Higher Education (CHE) effective July 1, 1994.

II. PROGRAM PROCEDURES

Upon approval by the governing board of an institution or an entity authorized to act on their behalf, participating institutions propose equipment purchases to the BHE or, after July 1, 1994, to the CHE to be acquired with the proceeds of ELF bonds. Proposals must be for at least 25 percent of an institution's total allocation pursuant to N.J.A.C. 9A:14-1.5 or 51,000,000, whichever is less, unless it is for the final portion of its allocation. Refer to N.J.A.C. 9A:14-1.3. As the original ELF bonds are retired new bonds may be issued, but the total outstanding principal may not exceed 3100,000,000 and the term of any bond may not exceed 10 years. The EFA enters into lease agreements with colleges and universities that include institutional payment of 25% of the principal and interest. The EFA then remits these funds to the State Treasurer.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

- a. Refer to P.L.1993, c.136.
- b. Refer to Title 9A, New Jersey Administrative Code, Chapter 14, Subchapter 1.

2. Suggested Audit Procedures

- a. Review institutional records to ensure that funds have been used only to purchase scientific, engineering, technical, computer, communications, and instructional equipment.
- b. Review institutional records to ensure that the purchase has received required approval from the BHE or CHE and from the full governing board of the institution.

B. ELIGIBILITY

Refer to P.L.1993, c.136 (the Higher Education Equipment Leasing Fund Act). All New Jersey public institutions of higher education and independent institutions receiving direct state funding under the Independent College and University Assistance Act P.L.1979, c.13 (N.J.S.A. 18A:72B-15 et seq.) are eligible to participate in this program.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

Refer to Section 5 of P.L.1993, c.136. Each institution is required to pay 25% of the debt service on Equipment Leasing Fund bonds issued on its behalf.

2. Suggested Audit Procedures

- a. Review and verify institutional commitment as detailed in statute. Trace data to supporting documentation.
- b. Review and verify expenditures and supporting documentation. Perform appropriate sampling in accordance with generally accepted auditing standards.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to lease agreement with EFA.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review institutional submissions to ensure compliance with lease.
- b. Review institution's internal expenditure report, including submitted purchase orders or payment vouchers.
- c. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

XX 100 082 2155 015 OPERATIONAL COSTS COUNTY COLLEGES

I. PROGRAM OBJECTIVES

This program provides state funds to support Educational and General (E&G) expenditures at New Jersey's nineteen community colleges.

II. PROGRAM PROCEDURES

The Office of Management and Budget (OMB) allocates the annual appropriation for community college operating aid according to a formula of differential and categorical funding as prescribed by N.J.S.A. 18A:64A-22. Differential aid and categorical aid are, in part, based upon audited enrollments by differential group, and take into account the variation in program costs among diverse academic programs. Annual audits of each community college's enrollments by differential funding group are required to be submitted to the Department of the Treasury no later than August 1. Audited financial statements are required to be submitted to the Department of the Treasury no later than November 1. Differential classifications for each course offering are approved by the Council of County Colleges' Differential Classification Committee.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to N.J.S.A. 18A:64A-1 et seq.

B. ELIGIBILITY

1. Compliance Requirement

- a. Review N.J.S.A. 18A:64A-22 et seq.
- b. Only those enrollments for which the college bears the direct cost of instruction are eligible to receive state funding.
- c. Only those non-credit enrollments in remedial, developmental, general education development, and adult basic education are eligible to receive state funding.

2. Suggested Audit Procedures

- a. Review N.J.S.A. 18A:64A-22 et seq.
- b. Review the annual Office of Management and Budget (OMB) final allocation of operating aid memorandum provided to the institution.
- c. Review the college's course differential classification records and supporting documentation, including the classification of new or revised courses by the Differential Classification Committee.

- d. Review college's educational contracts and grants to ensure that enrollments supported by such funds are not included in counts to be submitted for state funding.
- e. Review credit hour enrollment for accuracy of count and classification.
- f. Perform appropriate sampling in accordance with generally accepted auditing standards.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

1. Compliance Requirement

Refer to N.J.S.A. 18A:64A-22. Each county which operates a county college shall continue to provide moneys for the support of the college in an amount no less than 25% of the operational expense in the base State fiscal year.

2. Suggested Audit Procedures

- a. Review N.J.S.A. 18A:64A-22 et seq.
- b. Review the college's financial records to verify the level of county support.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.
- b. Submit enrollment audit by August 1.
- c. Submit financial audit by November 1.

2. Suggested Audit Procedures

- a. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.
- b. Structure audit to complete reports by required submission date.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

XX 100 082 2155 016 P.L. 1971, C.12 DEBT SERVICE

I. PROGRAM OBJECTIVES

P.L. 1971, Chapter 12 (as amended in 1994) provides a self-renewing capital funding program for community colleges. Counties issue bonds for new construction, acquisition, expansion, or capital renewal and replacement projects at the colleges, and the state shares the debt service equally with the counties. The total principal amount of these bonds may not exceed \$160,000,000 (\$80,000,000 state share debt service and \$80,000,000 county share debt service). The state makes payments to the bond trustees or the county. No state funds are paid to the colleges.

II. PROGRAM PROCEDURES

As outstanding bonds are retired, the State Treasurer determines the amount of bonds entitled to the benefits of the program and not allocated to another capital project. County colleges may request a reservation of funds for a particular capital project. To effect a reservation, the county Board of School Estimate and the college's Board of Trustees must file resolutions with the Office of Public Finance authorizing the sale of bonds. The County Treasurer certifies that the county has adopted a bond ordinance. Finally, the State Treasurer approves the bond sale and the counties issue bonds, the proceeds of which are provided to the colleges.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

Refer to N.J.S.A. 18A:22 et seq.

B. ELIGIBILITY

Only bonds that have been authorized by the State Treasurer and sold by a county for the benefit of its community college are eligible for state debt service payments.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

Counties pay one half of the debt service on bonds issued under program.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

a. Refer to bond indenture agreement

b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

XX 100 082 2155 017

EMPLOYER CONTRIBUTIONS - ALTERNATE
BENEFIT PROGRAM

I. PROGRAM OBJECTIVES

This program funds the employer's share of pension contributions for eligible community college employees participating in the Alternate Benefits Program (ABP). It also provides reimbursements to the colleges for pension costs of employees who are eligible to participate in ABP but who elected to remain in the Public Employees Retirement System (PERS).

II. PROGRAM PROCEDURES

The community colleges submit billings to the New Jersey Department of the Treasury, Division of Pensions, for employer share of payments to be made on behalf of participating employees. The Division of Pensions subsequently makes payments directly to the alternate pension plans in which these employees participate.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

Funding is for pension costs only for members of the Alternate Benefits Program, or for employees who are eligible to participate in ABP but who elected to remain in the Public Employees Retirement System.

2. Suggested Audit Procedures

Review internal controls to ensure adequate accounting of pension costs.

B. ELIGIBILITY

1. Compliance Requirement

Funding or reimbursements are only for eligible employees as defined in N.J.S.A. 18A:66-169 et seq.

2. Suggested Audit Procedures

Review roster of employees submitted to the state and their personnel records to ensure that eligibility criteria are met by those employees.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

a. The colleges are required to submit employee rosters to the Division of Pensions.

- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review college records for reports held on file. Trace data to supporting documentation.
- b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

XX 100 082 2155 018 EMPLOYER CONTRIBUTIONS - TEACHERS'
PENSION AND ANNUITY FUND

I. PROGRAM OBJECTIVES

This program provides funding to the community colleges for the employer's share of pension contributions for those eligible employees participating in the Teachers' Pension and Annuity Fund (TPAF).

II. PROGRAM PROCEDURES

The community colleges submit billings to the New Jersey Department of the Treasury, Division of Pensions, for employer share of payments to be made on behalf of participating employees.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

Funding is for pension costs only for members of the Teachers' Pension and Annuity Fund (TPAF).

2. Suggested Audit Procedures

Review internal controls to ensure adequate accounting of pension costs.

B. ELIGIBILITY

1. Compliance Requirement

Funding or reimbursements are only for eligible employees as defined in N.J.S.A. 18A:64A-13.

2. Suggested Audit Procedures

Review roster of employees submitted to the state and their personnel records to ensure that eligibility criteria are met by those employees.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

No compliance requirement.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

a. The colleges are required to submit employee rosters to the Division of Pensions.

b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review college records for reports held on file. Trace data to supporting documentation.
- b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

**DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION**

XX 100 082 2155 020 EMPLOYER CONTRIBUTIONS - FICA FOR COUNTY
COLLEGE MEMBERS OF TPAF

I. PROGRAM OBJECTIVES

This program provides funding to the community colleges for the employer's share of FICA contributions for those eligible employees participating in the Teachers' Pension and Annuity Fund (TPAF). Federal regulations prohibit the state from making payment directly to the federal government on the institutions' behalf since they are considered separate entities from the state under these regulations.

II. PROGRAM PROCEDURES

All employees' payments are initially funded by the colleges according to federal requirements. The colleges are reimbursed by the state for payments made on behalf of employees who are members of TPAF.

III. COMPLIANCE REQUIREMENTS AND SUGGESTED AUDIT PROCEDURES

A. TYPES OF SERVICES ALLOWED OR DISALLOWED

1. Compliance Requirement

Reimbursement provided only for payments made on behalf of employees who are members of TPAF.

2. Suggested Audit Procedures Review payroll system for position coding for pension membership status.

- a. Review system for determining TPAF FICA versus non-TPAF FICA.
- b. Review documentation supporting reimbursement requests for TPAF positions.
- c. Report all noted instances of non-compliance, illegal acts, and instances in which the cumulative effect of individual immaterial instances of non-compliance could materially affect the financial statements.

B. ELIGIBILITY

1. Compliance Requirement

Funding or reimbursements are only for eligible employees as defined in N.J.S.A. 18A:64A-13.

2. Suggested Audit Procedures

Review roster of employees submitted to the state and their personnel records to ensure that eligibility criteria are met by those employees.

C. MATCHING, LEVEL OF EFFORT, AND/OR EARMARKING PROCEDURES

Not applicable.

D. REPORTING REQUIREMENTS

1. Compliance Requirement

- a. Colleges must provide a reconciliation of the college's gross payroll to the TPAF-eligible payroll amount used as the basis for calculating the FICA reimbursement.
- b. Refer to New Jersey Office of Management and Budget (OMB) Circular 98-07.

2. Suggested Audit Procedures

- a. Review reports and supporting documentation and test calculations.
- b. Review and verify schedule of Federal and State Financial Assistance. Trace data to supporting documentation.

E. SPECIAL TESTS AND PROVISIONS

There are no special tests and procedures for the auditor to perform.

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

- SCHEDULE OF EXPENDITURES OF STATE AWARDS
- NOTES TO THE SCHEDULE OF EXPENDITURES OF STATE AWARDS AND INSTRUCTION FOR COMPLETION

SCHEDULE OF EXPENDITURES OF STATE AWARDS

The auditee shall prepare a schedule of expenditures of State awards for the period covered by the auditee's financial statements. At a minimum, the schedule should include all of the information listed below. For State awards received as a subrecipient, the name of the pass-through entity and the identifying number assigned by the pass-through entity must also be included in the schedule. This schedule must be a comprehensive listing of all state aid and grants-in-aid awarded to the institution for the fiscal year. State awards include the appropriations to the state colleges and universities, the operating aid to the community colleges, the aid to independent colleges and universities, the FICA and fringe benefit reimbursements, debt service payments made on behalf of the institution, and all other grants-in-aid and state aid funding to the institutions.

SCHEDULE OF EXPENDITURES OF STATE AWARDS
For Year Ending June 30, 19_____

<u>STATE GRANTOR & PROGRAM TITLE</u>	<u>GRANT NUMBER</u>	<u>STATE ACCT. NO.</u>	<u>AWARD PERIOD</u>	<u>AWARD AMOUNT</u>	<u>CURRENT YEAR EXPENDITURES</u>
--	-------------------------	----------------------------	-------------------------	-------------------------	--------------------------------------

TOTAL

DEPARTMENT OF THE TREASURY
HIGHER EDUCATION ADMINISTRATION

NOTES TO SCHEDULE OF EXPENDITURES OF STATE AWARDS AND INSTRUCTIONS FOR
COMPLETION

- Note 1: This Schedule was developed to show that all state-funded programs would be included in the supplementary section of the audit report.
- Note 2: All programs should be individually identified, including those completed or terminated during the audit period.
- Note 3: Award amount should include all dollars received during the audit period from the State of New Jersey, from all state agencies including, but not limited to, the Department of the Treasury, the Department of State, the Commission on Higher Education, and the Higher Education Student Assistance Authority.
- Note 4: Current year expenditures should include total amounts expended for each individual State program.
- Note 5: Include notes to the schedule that describe the significant accounting policies used in preparing schedule.
- Note 6: Include, in either the schedule or a note to the schedule, the loans or loan guarantees outstanding at year-end.